

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

P

W-03528A
Picacho Water Company
9532 E. Riggs Rd.
Sun Lakes, AZ 85248

RECEIVED

MAY 15 2008

ARIZONA CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

5-16-08

SCANNED

6-30-08

COMPANY INFORMATION

Company Name (Business Name) <u>Picacho Water Company</u>			
Mailing Address <u>9532 E. Riggs Rd</u>			
<u>Sun Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)	
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>26407 S. Price Rd</u>			
<u>Sun Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)	
<u>(480) 895-5009</u> Local Office Telephone No. (Include Area Code)	<u>(480) 802-9463</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>James Poulos</u>			
<u>9532 E. Riggs Rd</u> (Street)		<u>Sun Lakes</u> (City)	<u>AZ</u> (State)
<u>(480) 895-9200</u> Telephone No. (Include Area Code)		<u>(480) 895-4347</u> Fax No. (Include Area Code)	<u>85248</u> (Zip)
 Cell No. (Include Area Code)			
Email Address _____			
On Site Manager: <u>Dave Voorhees</u>			
<u>24607 S. Price Rd</u> (Street)		<u>Sun Lakes</u> (City)	<u>AZ</u> (State)
<u>(480) 895-5009</u> Telephone No. (Include Area Code)		<u>(480) 802-9463</u> Fax No. (Include Area Code)	<u>85248</u> (Zip)
 Cell No. (Include Area Code)			
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: James Hubbard

(Name)

9532 E. Riggs Rd

(Street)

Sun Lakes

(City)

AZ

(State)

85248

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

(480) 895-4347

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Marty Aronson

(Name)

One E. Camelback

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☒ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Picacho Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	183,896		183,896
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	1,167,495	119,478	1,048,017
311	Pumping Equipment	830,117	14,220	815,897
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	891,851	2,272	889,579
331	Transmission and Distribution Mains	947,689	2,415	945,274
333	Services	243,968	621	243,347
334	Meters and Meter Installations	71,590	3,625	67,965
335	Hydrants	251,514	641	250,873
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	27,180	8,737	18,443
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	4,615,300	152,009	4,463,291

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Picacho Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	183,896		
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	1,167,495	3.00	34,993
311	Pumping Equipment	830,117	0.67	5,563
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	891,851	0.25	2,272
331	Transmission and Distribution Mains	947,689	0.25	2,415
333	Services	243,968	0.25	621
334	Meters and Meter Installations	71,590	2.58	1,844
335	Hydrants	251,514	0.25	641
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	27,180	18.99	5,161
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	4,615,300	1.16	53,530

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME *Picacho Water Company*

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 56,878	\$ 120,327
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	14,296	28,478
146	Notes/Receivables from Associated Companies		150,018
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	6,551	6,551
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 77,725	\$ 305,374
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,553,084	\$ 4,615,300
103	Property Held for Future Use		
105	Construction Work in Progress	154,751	154,751
108	Accumulated Depreciation – Utility Plant	(98,479)	(152,009)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,609,356	\$ 4,618,042
	TOTAL ASSETS	\$ 1,687,081	\$ 4,923,416

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME *Picacho Water Company*

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 5,479	\$ 3,814
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	93,039	
235	Customer Deposits		
236	Accrued Taxes	10,515	112,546
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 109,033	\$ 116,360
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	18,912	20,468
	TOTAL DEFERRED CREDITS	\$ 18,912	\$ 20,468
	TOTAL LIABILITIES	\$ 127,945	\$ 136,828
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,475,000	\$ 4,575,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	84,136	211,588
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 1,559,136	\$ 4,786,588
	TOTAL LIABILITIES AND CAPITAL	\$ 1,687,081	\$ 4,923,416

COMPANY NAME *Picacho Water Company*

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 182,462	\$ 450,484
460	Unmetered Water Revenue		
474	Other Water Revenues	3,100	6,400
	TOTAL REVENUES	\$ 185,562	\$ 456,884
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 62,723	\$ 70,975
610	Purchased Water		
615	Purchased Power	63,061	38,457
618	Chemicals	1,243	1,497
620	Repairs and Maintenance	17,050	30,943
621	Office Supplies and Expense		
630	Outside Services	16	
635	Water Testing	2,339	2,353
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	3,651	7,106
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	2,853	9,969
403	Depreciation Expense	41,454	53,530
408	Taxes Other Than Income		
408.11	Property Taxes	13,568	15,301
409	Income Tax	(10,096)	98,000
	TOTAL OPERATING EXPENSES	\$ 197,862	\$ 328,131
	OPERATING INCOME/(LOSS)	\$ (12,300)	\$ 128,753
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	198	538
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(7,525)	(1,839)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (7,327)	\$ (1,301)
	NET INCOME/(LOSS)	\$ (19,627)	\$ 127,452

COMPANY NAME Picacho Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ Ø

Meter Deposits Refunded During the Test Year

\$ Ø

COMPANY NAME	PICACHO Water Company
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-567967	400	2,400	1,613	20	12	1998
55-567966	400	1,800	1,150	20	12	1998

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
60	2	87	
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
800,000	1	15,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME <u>Picacho Water Company</u>
Name of System: _____ ADEQ Public Water System Number: _____

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	PVC	19,490
8	PVC	10,400
10		
12	PVC	11,040
18	PVC	7,920

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	355
3/4	
1	3
1 1/2	2
2	18
Comp. 3	
Turbo 3	
Comp. 4	2
Tubo 4	
Comp. 6	1
Tubo 6	
Well Meters	2

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Dual Chlorination System / chlorine gas

STRUCTURES:

2 Motor Control Panels

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	Picacho Water Company		
Name of System:	ADEQ Public Water System Number:		

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	169	1,839	2,004	Ø
FEBRUARY	189	8,118	8,118	Ø
MARCH	216	14,412	14,947	Ø
APRIL	239	19,822	20,647	Ø
MAY	263	29,884	31,461	Ø
JUNE	294	35,606	36,949	Ø
JULY	316	26,575	28,867	Ø
AUGUST	342	26,288	27,150	Ø
SEPTEMBER	363	24,057	24,447	Ø
OCTOBER	380	36,017	39,023	Ø
NOVEMBER	381	13,204	14,335	Ø
DECEMBER	384	4,558	5,155	Ø
TOTALS →		240,380	253,103	Ø

Well 4 < 0.001 mg/L
Well 5 < 0.001 mg/L

What is the level of arsenic for each well on your system? _____ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1,750 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Picacho Water Company YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 14,434.71

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

PICHACHO WATER COMPANY9532 F Riggs Rd
Sun Lakes, AZ 85248 7411**Pay****SIX THOUSAND SEVEN HUNDRED EIGHTY FOUR AND 11/100 *******

Dollars

To **JIM L TURNBULL - PINAL COUNTY TREASURER**
The **PINAL COUNTY TREASURERS OFFICE**
Order **PO BOX 729**
Of **FLORENCE AZ 85232-0729**JPMorgan Chase Bank, N.A.
201 N Central Ave Dept 383
Phoenix, AZ 85038

91-2/1221

100174

Date	Amount
04/13/07	\$*****6,784.11

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

⑈ 100174 ⑈ ⑆ 122100024⑆686585324⑈

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING.

For Deposit Only
J.P. Morgan Chase Bank
Pinal County Treasurer
>13248988<KNIGHT
FINGERPRINT
→

Location	Acct #	Original Acct #	Check #	Original Check #	Amount	Original Amount	Issue Date	Paid Date
CD	686585324	686585324	100174	100174	\$6,784.11	\$6,784.11		4/19/2007
Original Paid Date	Sequence	Customer Data	Bank #	Original R/T Number	GL Category	CD Valid/CIMS Key		
4/19/2007	2210358726		601	601		20070430337201		
CD Label	Process Control							
20070430337201								

100221

Date	Amount
10/09/07	\$*****7,650.60

Dollars

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

10022111 122100024168658532411

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

[illegible]

**KNIGHTTM
FINGERPRINT**

TO VIEW WATERMARK
HOLD AT ANGLE
OR
UNDER BLACKLIGHT

FINGERPRINT

100

THE UNIVERSITY OF CHICAGO

THIS CHECK IS VOID WITHOUT A MULTICOLORED BACKGROUND ON THE FRONT AND THE SAME BACKGROUND IN THE ENDORSEMENT AREA. THE CHECK ALSO CONTAINS AN ARTIFICIAL KNIGHT & FINGERPRINT WATERMARK. SEE BELOW FOR ADDITIONAL SECURITY FEATURES.

ENDORSE HERE: U.S. PATENTS NO. 5,622,360; 5,575,008; 5,641,103; 5,702,424; 5,698,044; 5,620,000

Page 1

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James Poulos</u>
COMPANY NAME	<u>Picacho Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL


(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(516)		OFFICIAL SEAL DAY VERONICA CUBBAGE NOTARY PUBLIC - STATE OF ARIZONA PINAL COUNTY My Comm. Expires August 4, 2008	COUNTY NAME <u>Pinal</u>	DATE <u>May 2008</u>
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(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8/1/2008

COMPANY NAME Picacho Water Company

YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>207,452</u>
Estimated or Actual Federal Tax Liability	<u>80,906</u>

State Taxable Income Reported	<u>222,990</u>
Estimated or Actual State Tax Liability	<u>15,538</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	_____
Amount of Gross-Up Tax Collected	_____
Total Grossed-Up Contributions/Advances	_____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE5-15-08

DATEJames Paulos

PRINTED NAMEGeneral Manager

TITLE

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James Poulos</u>
COMPANY NAME	<u>Picacho Water Company</u>

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FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 482,219

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 43,136
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL

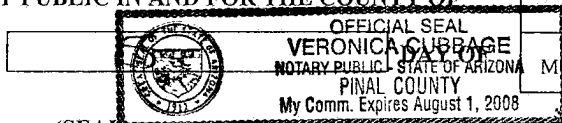
(480) 895-9300

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME


A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



(SEAL)

COUNTY NAME	<u>Pinal</u>
MONTH	<u>May</u>
YEAR	<u>2008</u>



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

8/1/2008

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

MAY 15 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>Maricopa</i>	
NAME (OWNER OR OFFICIAL) <i>James Poulos</i>	TITLE <i>General Manager</i>
COMPANY NAME <i>Picacho Water Company</i>	

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FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ *246,235*

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ *21,054*
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

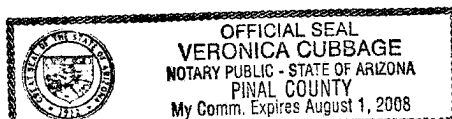
THIS

15

DAY OF

NOTARY PUBLIC NAME <i>Veronica Cabbage</i>	
COUNTY NAME <i>Pinal</i>	
MONTH <i>May</i>	YEAR <i>2008</i>

(SEAL)



MY COMMISSION EXPIRES

8/1/2008

X *Veronica Cabbage*

SIGNATURE OF NOTARY PUBLIC